



## HESSE AND THE UNITED STATES

Hesse is one of the most dynamic states when it comes to transatlantic relations. Frankfurt is not only the biggest city in the state and the country's financial capital, but it has long been a center of U.S. business activity in Germany. Frankfurt International Airport is the third biggest airport in Europe measured by passenger numbers and the second biggest measured by cargo. There are 340 direct connections every week from Frankfurt to 25 destinations in the U.S.

### I. Economic and Business Connections

#### A. Investment

##### U.S. Investment in Hesse

- Foreign shareholders invest mostly in banks and other financial institutions in Hesse, due to the heavy representation of banks in Frankfurt. Of the 886 companies with U.S.-owned shares in Hesse, 666 are financial institutions. Citibank, J.P Morgan Chase Bank, and Goldman Sachs have a major presence in Frankfurt.
- Total turnover for the 886 companies is 41.7 billion euros and the companies employ 80,000 people.
- The stock value of U.S. investment in Hesse is 9.3 billion euros
- U.S. foreign direct investment in Hesse amounts to 20.3 billion euros.
- The U.S. is the second largest investor in Hesse only surpassed by the Netherlands.
- Of the fifty biggest U.S. companies in Germany, thirteen are located in Hesse.

##### Five Top U.S. Companies in Hesse (2006)

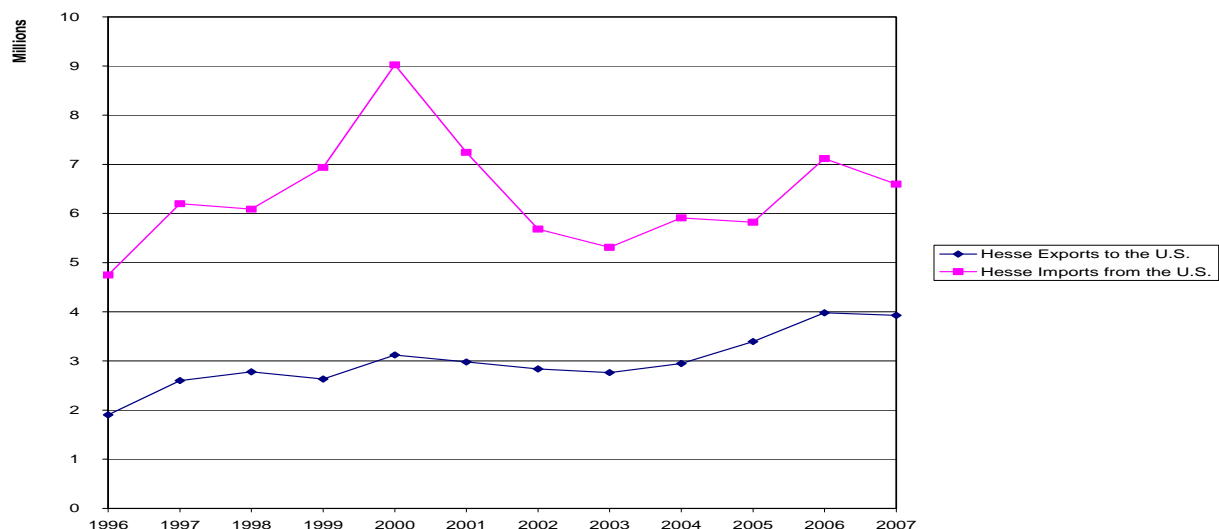
	<u>Employees</u>	<u>Sales</u>
Opel/General Motors	18,300	
Motorola	2,500	4.3 B euros
Procter & Gamble	15,000	
The Dow Group	6,500	4.0 B euros.
Abbott Laboratories	4,100	

##### Hesse Investment in the U.S.

- The stock value of Hesse companies in the U.S. is 61.7 billion euros.
- The contribution of Hesse companies to foreign direct investment in the U.S. amounts to 30 billion euros.
- Many member institutions of the Association of German Banks are represented on the US market. Deutsche Bank USA, a subsidiary of Deutsche Bank, is based in New York City, holds 1 billion euros in assets and has 64,103 employees.

- Deutsche Bank is one of the largest foreign-based employers in New York City and the only investment bank physically located on Wall Street. Deutsche Bank America contributes around 26% of the company's total revenues.
- Commerzbank AG established a representative office in New York City in 1967 and has maintained a presence ever since. Today the bank has additional branches in Chicago and Los Angeles, and an agency in Atlanta with a total staff of 320 employees.
- The biggest non-financial Hesse company in the U.S. is Fresenius Medical Care Holdings, Inc., headquartered in Bad Homburg. The medical instruments company had total sales of \$6.0 million and 37,541 U.S. employees in 2007.
- EMD Chemicals, Inc., headquartered in Darmstadt, employs 699 people in the U.S. and had total sales of \$280 million in 2007.

## B. Trade



### U.S. Trade with Hesse

- The U.S. is Hesse's second largest trade partner, only surpassed by France. Exports totaled 3.9 billion euros in 2007. Leading exports are chemical and pharmaceutical products, machines and optical and mechanical products.
- Various American states have their own representational office in Hesse, including California and Pennsylvania among others.

### Hesse Trade with the U.S.

- In 2007 U.S. imports from Hesse totaled 6.6 billion euros. Leading imports were machines, chemical and pharmaceutical products and electrical products.

## II. People-to-People Connections

### A. Tourism from the U.S.

- Tourism from the U.S. in Hesse amounted to 444,302 arrivals in Hesse in 2007, up 4% from 2006 (427,398). Overnights were 732,478 in 2007, a slight decline compared to 2006 (-2.6%). American tourists account for 14.2% of overall tourism in Hesse, which is the largest contribution of a single country.

## **B. Resident Citizens and Emigrants**

- Over 18,000 Americans live in Hesse excluding military and USG employees, with 6,000 in Frankfurt alone.
- The U.S. Consulate General in Frankfurt employs approximately 900 people and is the biggest U.S. Consulate in the world and the fifth largest U.S. diplomatic representation overall

## **III. Research & Technology Connections**

### **A. Universities and Technical Colleges**

- Hessen Universities Consortium New York: The New York-based office represents Hessen's universities in the U.S. It provides students and scholars from North America with the opportunity to study in Hesse. Participating universities include Darmstadt, Frankfurt, Giessen, Kassel, and Marburg among others.
  - Johann.Wolfgang Goethe University and Duke University's Fuqua School of Business, have jointly run an MBA program based in Frankfurt since 2003
- Frankfurt University Center for North American Studies: The Center for North American Studies (ZENAF) is an interdisciplinary research institute at Johann Wolfgang Goethe University in Frankfurt bringing together scholars and students from the social sciences and humanities. Founded in 1979, it is one of the largest research centers of its kind in Germany, combining the university's various departmental resources devoted to the study of North American topics.

### **B. Research Institutes**

N/A

## **IV. Educational & Cultural Exchanges**

### **A. Educational**

- **Wisconsin:** The Hesse-Wisconsin Consortium grew out of a proposal of Erika Müller-Blass, a delegate of the Hesse Ministry of Science and Art, during a visit to Wisconsin in 1998. Her idea was to increase student mobility between the two sister states and enhance mutual cooperation among higher education institutions. The then-Governor of Wisconsin, Tommy Thompson, was very receptive to the idea. In December 1998 the Wisconsin Governor and Hesse officials signed a "Memorandum of Understanding (MOU)" creating the Hesse-Wisconsin student exchange program.

- **Massachusetts:** The Hesse-Massachusetts program promotes exchanges of students and university personnel. The agreement was signed in 2004 between the Hesse Ministry for Education and the University of Massachusetts. All twelve universities in Hesse and the five state universities in Massachusetts can participate in the program.
- **Louisiana;** Following Hurricane Katrina, Udo Corts (Hesse Minister of Education, Research, and the Arts) offered places to sixteen displaced students in Hesse universities. An exchange program agreement between Hesse and Louisiana State University growing out of the experience was signed in April 2007. The program has yet to go into effect but will follow the model of the programs with Wisconsin and Massachusetts.

## B. Foundations

N/A

## C. Partnerships

- **AmCham:** The American Chamber of Commerce in Germany e.V. (AmCham Germany) is headquartered in Frankfurt and is a private, non-profit, membership organization that represents the interests of its 3,000 American and German members. Celebrating its 100th anniversary in 2003, AmCham Germany is one of the oldest and largest bilateral economic organizations in Europe. AmCham Germany's mission is to promote unrestricted competition, trade and investment between Germany and the United States. AmCham Germany was founded in Berlin on 30 January, 1903 and is the oldest bilateral trade association in Germany and the second oldest AmCham in the world. With over 3,000 members, AmCham Germany is the largest American Chamber of Commerce in Europe. AmCham Germany's membership includes 85% of all U.S. investment in Germany.
- **Wisconsin:** Founded in 1976, the sister-state relationship between Hesse and Wisconsin is the oldest partnership between a U.S. state and its equivalent in Germany. The partnership was initiated by Hesse Minister President Albert Oswald and then-Governor of Wisconsin Patrick Lucey. Initially, the partnership concentrated on student-exchange-programs. Today, there is an extensive level of economic cooperation between businesses and also in development, technology transfers and vocational training. Additionally, the partnership encompasses educational, municipal and administrative functions as well as academic collaboration and cultural affairs. In 2008 more than ninety schools in Hesse maintain contacts with high schools and colleges in Wisconsin. Prominent investors from Wisconsin in Hesse include Harley-Davidson, General Electric Medical Technology, Johnson Controls and Varta Accumulators. Sixty German companies, including Linde, EMD, Messer, Schunk, Schenck-Rotec, have a presence in Wisconsin.

## V. U.S. Military and Government Presence

- **U.S. Armed Forces:** Of the approximately 64,000 U.S. Armed Forces members in Germany at present, 11,200 are in Hesse. U.S. Army Garrison Wiesbaden, 1<sup>st</sup> Armored Division Headquarters, is the largest base in the state. The base is scheduled to expand as installations in Darmstadt and Heidelberg are relocated to Wiesbaden. The estimated total economic impact of the U.S. military on the Hesse economy in 2007 was \$416 million.
- **U.S. Consulate:** As the largest consulate in the world with around 900 employees, the U.S. Consulate General in Frankfurt makes a large contribution to the local economy. The consulate spent \$22.5 million on local contracts in 2007, including \$1.1 million alone on hotel rooms. The Frankfurt Regional Diplomatic Courier Division received and dispatched 55,600 diplomatic pouches weighing over 1,448,000 kilograms to U.S. missions through Frankfurt International Airport. Over 22,200 of these items were escorted by diplomatic couriers traveling on Lufthansa.

*U.S. Consulate Frankfurt. November 2008.*